

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

HANSON DAI, et al.,  
Plaintiffs,

v.

SAS INSTITUTE INC., et al.,  
Defendants.

Case No. [24-cv-02537-JSW](#)

**ORDER GRANTING SAS INSTITUTE,  
INC.'S MOTION TO DISMISS**

Re: Dkt. No. 101

This matter comes before the Court upon consideration of the motion to dismiss filed by SAS Institute, Inc. ("SAS").<sup>1</sup> The Court has considered the parties' papers, relevant legal authority, the record in this case, and it GRANTS SAS's motion.

**BACKGROUND**

Plaintiffs allege that SAS, IDEaS, Inc. ("IDEaS") and five Hotel Defendants conspired to fix hotel prices. According to Plaintiffs the Hotel Defendants use a revenue management system ("RMS") created by IDEaS, which in turn uses analytics software developed by SAS.<sup>2</sup> (Compl. ¶¶ 20-21, 49-50.) Plaintiffs further allege the Hotel Defendants send "their confidential pricing and occupancy information to [Ideas] to process, analyze, and develop supra-competitive prices," know that the other defendants are doing the same, and set prices accordingly. (*Id.* ¶¶ 3, 64-79.) By doing so, the Hotel Defendants "are able to achieve the same result as if they secretly met in a back room and exchanged their information and agreed to a supra-competitive price." (*Id.* ¶ 3.) In

<sup>1</sup> SAS also is party to a joint motion to dismiss that the Court will address in a separate Order.

<sup>2</sup> The named Plaintiffs are Hanson Dai, Max Chiswick, Adolph Robles, Steven Stack, Matthew Gilbert, Michael Molinaro, Tony Qian, Mark Lester, Steven Shattuck, and Joel Kamisher.

1 brief, Plaintiffs contend the Defendants, including SAS, engaged in hub-and-spoke conspiracy to  
2 fix prices and violated Section 1 of the Sherman Act.

3 The Court will address additional facts as necessary in the analysis.

#### 4 ANALYSIS

5 On a Rule 12(b)(6) motion, the Court assumes “that all the allegations in the complaint are  
6 true[.]” *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). A plaintiff’s obligation to  
7 provide the “grounds” of their “entitle[ment] to relief” requires more than labels and conclusions,  
8 and a formulaic recitation of the elements of a cause of action will not do[.] ... Factual allegations  
9 must be enough to raise a right to relief above the speculative level[.]” *Id.* “A claim has facial  
10 plausibility when the Plaintiff pleads factual content that allows the court to draw the reasonable  
11 inference that the Defendant is liable for the misconduct alleged.” *Ashcroft v. Iqbal*, 556 U.S. 662,  
12 678 (2009) (citing *Twombly*, 550 U.S. at 556).

13 Section 1 of the Sherman Act prohibits any “contract, combination in the form of trust or  
14 otherwise, or conspiracy, in restraint of trade or commerce among the several States.” 15 U.S.C. §  
15 1. In order to state a claim, Plaintiffs must allege facts that show (1) a contract, combination or  
16 conspiracy among two or more persons or distinct business entities; (2) by which the persons or  
17 entities intended to harm or restrain trade or commerce among the several States, ... (3) which  
18 actually injures competition.” *Kendall v. Visa U.S.A., Inc.*, 518 F.3d 1042, 1047 (9th Cir. 2008).  
19 Pursuant to *Twombly*, a plaintiff must include “enough factual matter (taken as true) to suggest  
20 that an agreement was made. Asking for plausible grounds to infer an agreement does not impose  
21 a probability requirement at the pleading stage,” but allegations “of parallel conduct and a bare  
22 assertion of conspiracy will not suffice.” *Twombly*, 550 U.S. at 556. “Hence, when allegations of  
23 parallel conduct are set out in order to make a § 1 claim, they must be placed in a context that  
24 raises a suggestion of a preceding agreement, not merely parallel conduct that could just as well be  
25 independent action.” *Id.* at 557.

26 Plaintiffs allege that SAS that IDEaS’s RMS products are “powered by” SAS analytics.  
27 (Compl. ¶¶ 50, 61; *see also id.* ¶ 20 (alleging SAS developed analytics used by IDEaS’s RMS).)  
28 SAS argues that these allegations are insufficient to state a claim. The Court agrees. Plaintiffs do

1 not include allegations that SAS did more than provide one aspect of the RMS product and do not  
2 suggest it has continued involvement with providing the Hotel Defendants the RMS products.  
3 Plaintiffs also do not include allegations from which one could reasonably infer SAS had any  
4 other connection or contact with the Hotel Defendants. Plaintiffs also allege that IDEaS is a  
5 subsidiary of SAS. In general, a corporate parent is not liable for the acts of its subsidiaries. *See*  
6 *United States v. Best Foods, Inc.*, 524 U.S. 51, 61 (1998). Plaintiffs have not made any allegations  
7 that the corporate form should be ignored.

8 Accordingly, the Court GRANTS SAS's motion to dismiss. Because the Court cannot say  
9 it would be futile, it will grant Plaintiffs leave to amend and will set the deadline to do so when it  
10 resolves the joint motion to dismiss.

11 **IT IS SO ORDERED.**

12 Dated: March 21, 2025

13   
14 JEFFREY S. WHITE  
15 United States District Judge  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28